

### SUMMARY

This proposed ordinance amends Chapter 18 of the 1984 Detroit City Code, *Finance and Taxation*, by adding new, Article V, Division 10, titled, *Targeted Business Development (TBD)*, consisting of Sections 18-5-150 through 18-5-160, to set forth the purpose of the Article; to establish applicability to all competitive procurements, including but not limited to, renewals or extensions of contracts through change orders, real estate development projects, development agreements, franchise agreements, licenses, conservancies and public/private partnerships, to the extent allowed by law, for which City Council's approval is required; to establish an Office of Targeted Business Development; to establish a Targeted Business Development Policy Board; to establish a Targeted Business Development Advisory Board; to describe the duties of the departments and city officers; to establish reduction or waiver of commitment; and to specify the consequences of non-compliance.

**BY COUNCIL MEMBER ALBERTA TINSLEY-TALABI:**

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2 This proposed ordinance amends Chapter 18 of the 1984 Detroit City Code, *Finance*  
3 *and Taxation*, by adding new, Article V, Division 10, titled, *Targeted Business Development*  
4 *(TBD)*, consisting of Sections 18-5-150 through 18-5-160, to set forth the purpose of the  
5 Article"; to establish applicability to all requisitions, requests for proposals and quotations,  
6 real estate development proposals involving public land and/or dollars and franchise proposals  
7 involving public land and/or dollars, to the extent allowed by law, for which City Council  
8 approval is required; to establish an Office of Targeted Business Development; to establish a  
9 Targeted Business Development Policy Board; to establish a Targeted Business Development  
10 Advisory Board; to describe the duties of the departments and city officers; to establish  
11 reduction or waiver of commitment; and to specify the consequences of non-compliance.

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13 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**

14 **THAT:**

15

16 **Section 1.** That Chapter 18 of the 1984 Detroit City Code, *Finance and Taxation*, be  
17 amended by adding new Article V, *Targeted Business Development (TBD)*, consisting of  
18 Sections 18-5-150 through 18-5-160, to read as follows:

19 **ARTICLE V. TARGETED BUSINESS DEVELOPMENT**

20 **Sec. 18-5-150. Purpose.**

21 The purpose of this ordinance is to facilitate and encourage the retention and growth of  
22 Detroit-based small businesses in the City of Detroit, particularly related to the competitive  
23 procurement of City contracts. The goals of this ordinance are to:

1 (A) Assist targeted business enterprises in the competitive procurement process.

2 (B) Specify the participation level of targeted business enterprises the City requires to be  
3 in the City's competitive procurement.

4 (C) Monitor the documents and reports of City agencies for compliance with the Targeted  
5 Business Plan.

6 **Sec. 18-5-151. Definitions.**

7 For purposes of this Article, the following terms shall have the following meanings:

8 (A) "Certification" and "certification procedure" shall mean the process by which an  
9 applicant is determined to be a legitimate Targeted Business Enterprise (TBE), as certified or  
10 approved to participate in the policies or programs established by the Office of Targeted  
11 Business Development by the Human Rights Department.

12 (B) "Competitive procurements" shall mean requisitions, requests for proposals or  
13 quotations for goods or services requiring City Council approval.

14 (C) "Small Business Concern" or "SBC" shall mean as defined in the Detroit City Code,  
15 for Purchases, Section 18-5-1. Definitions.

16 (D) "Targeted Business Development Plan" (TBDP) shall mean the collected procurement  
17 policies developed by the Targeted Business Development Policy Board.

18 (E) "Targeted Business Enterprise" or "TBE" shall mean any Detroit-based small business,  
19 Detroit-resident business or Detroit-based micro-business concern, as defined in the 1984  
20 Detroit City Code, Article 18, Finance and Taxation, Article 5 Purchases and Supplies,  
21 Section 18-5-1, Definitions and that has been certified or approved to participate in the  
22 policies or programs established by the Office of Targeted Business Development by the  
23 Human Rights Department.

24 **Sec. 18-5-152. Applicability.**

1 Except as provided under Section 18-5-158 of this ordinance, *Reduction or Waiver of*  
2 *Commitment*, this ordinance shall be applicable to all competitive procurements, including but  
3 not limited to, renewals or extensions of contracts through change orders, real estate  
4 development projects, development agreements, franchise agreements, licenses, conservancies  
5 and public/private partnerships, to the extent allowed by law, for which City Council approval  
6 is required.

7 **Sec. 18-5-153. Creation of the Office of Targeted Business Development and the**  
8 **Establishment of its Responsibilities.**

9 (A) The Office of the Targets Business Development (OTBD) is hereby created within the  
10 Finance Department and shall be responsible for:

11 (1) The administration and implementation of the Targeted Business Development  
12 Plan by reviewing all competitive procurements, as determined by the OTBD Policy Board,  
13 before competitive procurements are released to the public or advertised to make sure  
14 competitive procurements are consistent with the procurement policies developed by the  
15 OTBD Policy Board for TBE participation.

16 (2) Identifying changes that shall be made to competitive procurements submitted  
17 for review by a department or agency to make sure competitive procurements are consistent  
18 with this ordinance and contain the appropriate level of TBE participation.

19 (3) The collection of data to be included in annual reports which demonstrate the  
20 effectiveness of the Targeted Business Development Plan which will be provided to the  
21 Policy Board, Mayor and City Council.

22 (4) Develop outreach programs, including workshops and seminars, to achieve the  
23 purposes and goals of this ordinance.

24 (5) Market or encourage other private and public sector companies and agencies

1 to utilize TBEs located in the City of Detroit.

2 (B) All records of the OTBD shall be open to inspection and audit by the Auditor General.

3 (C) Employees. In addition to any other powers, the OTBD shall have the power to  
4 employ a director and at least four other employees necessary to perform the functions,  
5 duties and powers of the OTBD.

6 (D) The OTBD may also contract for services as needed consistent with the City Charter  
7 and ordinances governing such activities.

8 **Sec. 18-5-154. The Targeted Business Development Policy Board.**

9 (A) The name of the governing body created under this article is the Targeted Business  
10 Development Policy Board, which may be referred to as the "Policy Board".

11 (B) Policy Board membership. The Policy Board shall consist of six (6) members: the  
12 finance director, the director of planning and development, the human rights director, the  
13 purchasing director, corporation counsel and the chief administrative officer.

14 (C) Removal. The members of the Policy Board shall serve at the pleasure of the Mayor.

15 (D) Officer(s). The Policy Board, shall designate a chairperson and vice-chairperson from  
16 its members.

17 (E) Duties of chairperson. The chairperson shall preside at meetings of the Policy Board.  
18 The chairperson shall perform such other duties as may be fixed by the by-laws or assigned  
19 to him or her by the majority of the members sitting on the Policy Board. In the absence of  
20 the chairperson, the vice-chairperson shall assume the duties of the chairperson.

21 (F) Rules of procedure. Within (sixty) 60 days from the effective date of this ordinance  
22 the Policy Board shall adopt rules of procedures for the OTBD which shall include  
23 procedures for a department or agency to submit competitive procurements for review,  
24 specify how competitive procurements will be reviewed by the OTBD, specify the manner in  
25 which the OTBD will require a department or agency to make changes to competitive  
26 procurements submitted for review, the form of the OTBDs approval of a competitive

1 procurement which shall be attached to all competitive procurements forwarded to the  
2 Purchasing Division for processing/advertising and a meeting schedule for the Policy Board  
3 sufficient to fulfill duties specified in this ordinance.

4  
5 (G) Compensation. The members of the Policy Board shall not be entitled to any  
6 additional compensation.

7 (H) Within ninety (90) days from the effective date of this ordinance, the Targeted  
8 Business Development Policy Board shall develop a Targeted Business Development Plan,  
9 which shall, at a minimum, include:

10 (1) A procurement policy to determine when competitive procurements should be  
11 limited to targeted business enterprises.

12 (2) A procurement policy to determine how to specify a minimum level of  
13 participation by TBEs as sub-contractors in competitive procurements.

14 (3) A procurement policy to identify large competitive procurements that can be  
15 divided into smaller components to increase the opportunity for TBEs to  
16 participate.

17 (4) A procurement policy to identify competitive procurements and projects for  
18 joint ventures and/or mentor ventures.

19 (I) The Policy Board will continue to develop procurement policies needed to make sure  
20 TBEs are included, to the greatest extent possible, in the following if approval is required by  
21 the City Council:

22 (1) Renewals or extensions of contracts through change orders;

23 (2) Real estate development projects;

24 (3) Development agreements;

1     (4) Franchise agreements, licenses, conservancies and public/private partnerships.

2     Each procurement policy developed or established by the Policy Board will be forwarded to  
3     each department or agency to assist them in developing their competitive procurement  
4     requests prior to review by the OTBD. The purchasing division is prohibited from  
5     processing or advertising any competitive procurement without review and approval by the  
6     OTBD. The form of such approval shall be determined by the OTBD. The purchasing  
7     division shall reject any bid that does not conform to the competitive procurements as  
8     approved by the OTBD.

9     **Sec. 18-5-155. Creation of the Targeted Business Development Advisory Board**

10    (A)   The name of the advisory body created under this Article is the Targeted Business  
11    Development Advisory Board, which may be referred to as the "Advisory Board".

12    (B)   Appointment of Advisory Board membership. The Targeted Business Development  
13    Advisory Board shall consist of nine (9) members, who shall be representatives of nine (9)  
14    different Detroit-based businesses or business associations. Each City Council member shall  
15    make one (1) appointment to the Advisory Board for two (2) year terms. The appointments  
16    shall be made within ninety (90) days of the effective date of this ordinance.

17    (C)   Removal. The Advisory Board shall serve at the pleasure of the appointing City  
18    Council Member. A vacancy shall be filled by the appointing City Council Member.

19    (D)   The Targeted Business Development Advisory Board is created for the purpose of  
20    advising the Targeted Business Development Policy Board and the Office of Targeted  
21    Business Development only on matters of concern related to the procurement policies of the  
22    City of Detroit.

23    (E)   Officers. The Advisory Board, by majority vote shall designate a chairperson and  
24    vice-chairperson from its members.

25    (F)   Rules of procedure. Within ninety (90) days from the effective date of this ordinance,

1 the Advisory Board shall meet to adopt rules of procedure necessary to discuss and  
2 recommend to the OTBD Policy Board procurement policies or programs thought to increase  
3 the participation of TBEs in city contracting and to receive suggestions and recommendations  
4 from other Detroit-based small businesses, and provide therein for at least quarterly meetings  
5 of the Advisory Board. The OTBD shall provide a meeting location for the Advisory Board,  
6 attend all meetings and report all policy recommendations of the Advisory Board to the  
7 Policy Board for review and consideration.

8 (G) Duties of chairperson. The chairperson shall preside at meetings of the Advisory  
9 Board. The Chairperson shall perform such other duties assigned to him or her by the  
10 Advisory Board. In the absence of the chairperson, the vice-chairperson shall assume the  
11 duties of the chairperson.

12 (H) Compensation. The members of the Advisory Board shall not be entitled to any  
13 compensation for services.

14 (I) The Advisory Board shall hold Open Meetings in accordance with the Open Meetings  
15 Act, as amended.

16 **Sec. 18-5-156. Duties of the Departments and City Officers.**

17 To effectuate the purposes of the Targeted Business Development Plan each head of a  
18 City department and City agency shall designate a contact person to communicate with the  
19 OTBD and to make sure that all requests and modifications to competitive procurements  
20 required by OTBD are responded to as specified.

21 **Sec. 18- 5-157. Reduction or Waiver of Commitment.**

22 The Director of Finance may reduce or waive the requirements of this ordinance for  
23 reasons specified in the Detroit City Code Sections 18-5-2(1)(5) and 18-5-5. Said reasons  
24 shall be given in writing to the City Council within seven (7) business days of said waiver.

25 **Sec. 18-5-158. Appeals.**

26 Any person aggrieved by a decision of any city agency as pertains to this ordinance  
27 may appeal to the Purchasing Director.



1 **Sec. 18-5-159. Non-Compliance.**

2 (A) Any business entity or person(s) found to have submitted documentation in  
3 furtherance of its request to obtain City contract(s) or agreement(s) which contain material  
4 misrepresentation(s) of fact shall constitute a material breach of the particular contract(s) or  
5 agreement(s) at issue and is ineligible to receive future contract(s) and/or agreements with  
6 the City for a period of three (3) years.

7 **Sec. 18-5-160. Severability**

8 This ordinance shall be severable. If any court of competent jurisdiction determines that any  
9 word, phrase or section of this ordinance is invalid, the remainder of the ordinance shall  
10 remain in full force and effect.

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12 **Section 2.** All ordinances, or parts of ordinances, that conflict with this ordinance are  
13 repealed.

14 **Section 3.** This ordinance is hereby declared necessary to preserve the public peace,  
15 health, safety, and welfare of the People of the City of Detroit.

16 **Section 4.** In the event that this ordinance is passed by a two-thirds (2/3) majority of  
17 the City Council Members serving, it shall be given immediate effect and become effective  
18 upon publication in accordance with Section 4-116 of the 1997 Detroit City Charter. Where  
19 this ordinance is passed by less than two-thirds (2/3) majority of the City Council Members  
20 serving, it shall become effective no later than thirty (30) days after enactment in accordance  
21 with Section 4-115 of the 1997 Detroit City Charter.

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23 Approved as to form:

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27 John Johnson  
Corporation Counsel